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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/849,495	05/04/2001	Denis Khoo	40015980-0010	8842

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WASHINGTON, DC 20036-2412

EXAMINER
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LE, KHANH H

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 03/14/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/849,495

Applicant(s)

KHOO ET AL.

Examiner

Khanh H. Le

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 12/15, 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 28-47 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 28-47 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date 1/28/05.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

### **Detailed Action**

1. This Office Action is responsive to the Applicants Response received 12/15/2004, herein the "Response".

Claims 28-47 are pending in the current application. Claims 28, 40, and 45-47 are the independent claims. Amended claims 28, 40, and 45-47 have been entered.

### ***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

3. **Claim 46 is rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.**

As to claim 46, "wherein the choice compensation is based on the supply and demand per user based on the viewing habit and/or demography of the user " is not supported by the specifications. The Specifications at pages 12-13 only state "In one embodiment, the choice compensation is based on the supply and demand per user depending on the demographics the user. " No other combination of the several embodiments is provided to support claim 46 as drafted. Thus there is no support for "wherein the choice compensation is based on the supply and demand per user based on the viewing habit (underline added) .. of the user". Original claim

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34, which is not part of the original application, contrary to argument, does not provide support for this claim either.

For prior art purposes, claim 46 is interpreted as “wherein the choice compensation is based on the supply and demand per user based on the demography of the user”.

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

*The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.*

**5. Claims 28-39, 40-44, 45-47 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

In claim 28 and the other independent claims, it is not clear whether “providing ...at least one program” means only one program is provided or not, when a plurality of programs is implied in “each program” and “program-by-program”. Appropriate correction is required. For art application purposes, it is interpreted only one program is involved.

Further “providing.. content” in “providing or offering to provide content ” and “providing the program to the user” seems redundant. It is suggested “providing or” be deleted from the first step.

All dependent claims are rejected based on their dependency.

Further as to claim 46, it is not clear what “**the supply and demand**” relates to in the phrase “wherein **the choice compensation is based on the supply and demand per user** based on the viewing habit and/or demography of the user.” Does it relate to the supply and demand of the user i.e. to the availability of the user to spend the time watching this content, or does it relate to the to the supply of the content and demand thereof by each of the users. If Applicants intend

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to mean the former meaning, then nothing in the specifications (see pages 12-13 thereof) specifically define "the supply and demand per user" as such. For art application purposes, this part of claim 46 is reasonably interpreted as the compensation (price or fee) is based on the supply and demand of the content by the users and based on the demographics of the particular user.

### **Response to Arguments**

6. Previous Rejections of claims 28-33, 35-36, 38-43, and 45-47 under 35 U.S.C. 102(b) as being anticipated by Logan (U.S. 5721827) are withdrawn in view of the amendments. New rejections are applied.

Previous Rejections of claims 34, 37, and 44 are rejected under 35 U.S.C. 103(a) as being unpatentable over Logan are withdrawn in view of the amendments.

As to Claims 28-45, 46 please see the body of rejections above and below.

#### **Claim 47 is rejected under Logan**

Applicants argue that claim 47 involves a feature that Logan does not have "that a user can avoid or reduce advertisements by paying an increased fee."

It is argued "This feature starts with a content provider providing both content and advertising to a user, and then allowing the user to pay an increased fee to exclude advertising". Applicants are arguing what's not claimed.

Claim 47 in fact provides 2 choices: to receive the content without advertising for a fee or to receive the content with advertising and not pay the higher (increased) fee which is equivalent to paying a lower fee.

Thus Claim 47 does not disclose a feature which "starts with a content provider providing both content and advertising to a user" as argued.

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Logan presents 2 choices as well. Content without ads or content with ads added? (See Logan, col. 7, lines 60-65, col. 9, lines 5-11, col. 9, line 57 to col. 10, line 5, col. 11, lines 38-43, and col. 21, lines 44-47.) In Logan there is a price for content without ads. Then another lower price is charged when the option of content with ads added is chosen. Claim 47 does the same thing.

It seems that Applicants claim that the novelty between claim 47 and Logan resides in Logan charging (a positive step) the lower price from an initial base price for the content when the “with ad content” option is chosen, whereas claim 47 has the lower price already built-in to the “with ad content” option.

If that is the difference, then nothing in claim 47, requires such reading. “Comprising” includes “not pay(ing) the increased fee” being done as a positive step of charging the lower price, just as is done in Logan.

### **Claim Rejections - 35 USC § 103**

7. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

**8. Claims 28-33, 35-39, 40-45, 47 are rejected under 35 U.S.C. 103(a) as being unpatentable over Logan US 5,721,827 A.**

As to claims 28, 40-41, 45, 47,

An offer to provide content with an option of viewing with ads or no ads occurs at Logan during the user initialization stage. The Logan form for the user to fill constitutes an offer to provide such content (which is different from advertising) with or without ads to defray the costs of the content. In response, the user indicates the content desired as well as the amount of

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advertising desired , including no ads at all (i.e. “the first option” as claimed)(see at least col. 8 line 42 to col. 9 line 11).

Following such indication by the user, the content provider provides the content with or without ads as indicated by the user (i.e. “the content is not provided until the user makes the election” regarding the ads).

Implicit in Logan is the availability of one program only.

Further, it would have been obvious to one skilled in the art at the time the invention was made to delete the rest of Logan’s programs and obtain Applicant’s claim 28 which claims one program only.

Omission of an Element and Its Function Is Obvious if the Function of the Element Is Not Desired. Ex parte Wu , 10 USPQ 2031 (Bd. Pat. App. & Inter. 1989). In re Larson, 340 F.2d 965, 144 USPQ 347 (CCPA 1965) (Omission of additional framework and axle which served to increase the cargo carrying capacity of prior art mobile fluid carrying unit would have been obvious if this feature was not desired.); and In re Kuhle, 526 F.2d 553, 188 USPQ 7 (CCPA 1975) (deleting a prior art switch member and thereby eliminating its function was an obvious expedient). MPEP 2144.04.)

Here, it would have been obvious to omit the other programs in Logan where the function attributed to the other programs is not desired or required, such as if one only wants to listen to one program.

Also, implicitly, if the Logan user chooses no ads at all (i.e. “the first option”) at the initiation step, then no ads are sent with the content and he/she pays the full price of the content. On the other hand if he/she elects to view ads, at the initiation stage, then the content is sent with the ads after the user’s election of the option of ads or no ads, as claimed.

(Logan discloses an option of editing the mix of content and ads sent during playback. However this also implies the option of not editing by the user, in which case the user receives

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the content with or without ads exactly as sent by the provider after the user chose in the initiation or offer phase, as claimed.)

Further, the Logan process, when the user chooses only one program, can be repeated, if the user so desires (as when the user has not used the system for a while and needs to repeat the process), re-starting at the offer form filling-out step, which in effect becomes “prompting the user proximate to the beginning of each program, on a program-by-program basis, to choose whether or not the user wishes to view advertising with that program”. Here the “prompting for ads or no ads at the beginning of each program, on a program-by program basis” read on Logan, because the operation of the Logan system is not modified thereby in the scenario as above-explained.

All other limitations in these claims have been discussed in previous Office Actions to which Applicants are referred to for further details.

Further the Logan user selects (matches) the ads in sufficient quantity to offset the costs as he/she wishes ( col 9 l. 50 – col 10 l. 6).

Logan specifically does not disclose an option whereby the content is 100% subsidized (“ an option... for which the choice compensation is not paid to the content provider). However at col . 9 l. 66- col 10 l. 6, Logan discloses an user indicating a net charge at the desired level, based on which the amount of advertising is adjusted. It is well-known some consumers desire free service or 100% subsidies. Therefore it would have been obvious to one skilled in the art at the time of the invention to add to Logan’s teaching of an user indicating a net charge at the desired level, based on which the amount of advertising is adjusted, an net charge of zero, to achieve 100% subsidy, to satisfy such desire of certain consumers.

As to claims 29 and 31,

Logan discloses: wherein the data network comprises a content display device including a computer (see at least Fig 1 item 118 and associated text).



Claim 30.

Logan discloses: wherein the data network comprises a content module (see at least Fig 4 items 315 “content providers” table , 303 “ programs” table, and associated text).

As to claim 32 Logan discloses the user can elect advertising other than advertising that interrupts the program (see at least abstract: Logan ads are at end or beginning of program so does not interrupt the program )

Claim 33.

Logan discloses: wherein the choice compensation is based on the rating (interpreted as the quality) of the content ( col 26 l. 53-col 27 l. 8).

Claim 35.

Logan discloses: wherein the viewer/user transmits the choice over the data network to the content provider (abstract, col. 8 line 42 to col. 9 line 11; 4<sup>th</sup> sentence from last; col 4 l. 2-8; col 26 l. 53-59).

Claim 36.

Logan discloses: wherein the choice compensation is a fee assessed on the basis of the choice content payable to the content provider by the viewer/user (abstract : “subscriber fee”; col 26 l. 53-col 27 l. 8; col 17, col 27 l. 2-30) .

Claim 37.

Logan discloses an option comprising a choice to the viewer/user of selecting the content together with an embedded (added, inserted ) advertisement for reduced fees (col 27 l. 3-6, Fig. 5 and associated text; col 9 l. 50 – col 10 l. 6).

Claim 38

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Logan discloses: wherein the option is offered to a viewer/user comprising an individual viewer/user ( abstract: “” subscriber”).

Claim 39.

In Logan, the content delivered is based on the user’s demographics, habit or preferences (see at least col 7 l. 45-65, col 9 l. 22-60).

As to claims 42 and 43, Logan discloses audio and visual content.

As to claim 44, Logan does not specifically disclose radio content however it would have been obvious to one skilled in the art at the time the invention was made to add radio content to the Logan system as Internet radio becomes more advanced.

**9. Claims 34 and 46 are rejected under 35 U.S.C. 103(a) as being unpatentable over Logan in view of Garg et al., US 6571216 B1.**

As to claim 34 (dependent on claim 33),

Logan does not specifically disclose the choice compensation is based on the viewing habit or demography of the viewer/user.

Official Notice was taken that it is well-known some consumers are provided goods or services at more advantageous costs than other consumers because their demographics make them more desirable customers. And it was stated that “thus it would have been obvious to one skilled in the art at the time the invention was made to provide the choice compensation is based on the demography or viewing habits of the viewer/user to attract better customers”.

Garg is herein provided as support for the above-taken Official Notice.

Garg discloses a methodology and system allowing a plurality of reward scheme owners to give differential rewards (abstract, col.2 line 15 to col. 3. line 40), to various users based on

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user profiles/demographics. It would have been obvious to one skilled in the art at the time the invention was made to add the rewards setting mechanism as taught by Garg to the Logan system to allow giving differential and highly relevant products/services rewards in the context of differential ads/program content based on profiles as taught by Logan.

As to claim 46, it was explained above that for prior art purposes, it is interpreted as the compensation (price or fee) is based on the supply and demand of the content by the users and based on the demographics of the particular user.

As to the compensation being based on the demographics of the particular user, see claim 34.

As to the price of the content being based on the supply or demand of such content by consumers, Official Notice is taken that it is well-known that the price of any product or service is based on the supply or demand of such by consumers. For example the price of a product may be initially higher when there is less demand until there is enough demand to sustain the costs of production and thereafter the price decreases as the demand rises while the cost of production per unit remains constant or decreasing. Thus it would have been obvious to one skilled in the art at the time the invention was made to add to Logan/Garg the additional feature that the price of the content is based on the supply or demand of such content by consumers because it is a well-established economic principle which is at play in any economic situation.

### **Conclusion**

9. Prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

10. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, THIS ACTION IS MADE FINAL. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

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A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Khanh H. Le whose telephone number is 703-305-0571. The Examiner works a part-time schedule and can best be reached on Tuesday-Wednesday 9:00-6:00. The examiner can also be reached at the e-mail address: [khanh.le2@uspto.gov](mailto:khanh.le2@uspto.gov). ( However, Applicants are cautioned that confidentiality of email communications cannot be assured.)

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Eric Stamber can be reached on 703-305-8469. (After our Art Unit moves to the Alexandria campus, sometime during or after April 2005, the Examiner's phone number will be 571-272-6721 and Mr. Eric Stamber's will be 571-272-6724. The current numbers are still in service until the move). The fax phone numbers for the organization where this application or proceeding is assigned are 703-872-9326 for regular communications and 703-872-9327 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

March 04, 2005

  
KHL  
**JAMES W. MYHRE**  
**PRIMARY EXAMINER**